



Fourth progress report to members & creditors

18 December 2015

Company	Thayer Properties Limited - in Liquidation
Registered Number	04108259
Registered address	Level 23 25 Canada Square, London, E14 5LQ
Type of Insolvency	Creditors' Voluntary Liquidation
Date of Appointment	1 November 2012
Appointees	Anthony Victor Lomas, Gillian Eleanor Bruce and Julian Guy Parr
Address	PricewaterhouseCoopers LLP 7 More London Riverside, London SE1 2RT

Dividend Prospects	Current estimate p in £
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Unsecured	Uncertain
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Please note that the guidance on dividend prospects is indicative only. It should not be used as the sole or principal basis of any bad debt provision decision.

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Thayer Properties Limited
(In Creditors' Voluntary Liquidation)

**Liquidators' progress report to members and
creditors for the year ended 31 October 2015**

18 December 2015

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1. Liquidators' progress report to members and creditors for the year ended 31 October 2015

Report to members and creditors

In accordance with Rule 4.49C of the Insolvency Rules 1986 ("IR86"), this is the Liquidators' fourth progress report to members and all known creditors of Thayer Properties Limited ("Thayer" or "the Company").

Appointment of Joint Liquidators

On 1 November 2012, Thayer moved into Creditors' Voluntary Liquidation following the conclusion of the Administration on the same day. DA Howell, MJA Jervis and AV Lomas were appointed Joint Liquidators.

Upon an application to the High Court of Justice, an order was made on 22 March 2013 that GE Bruce and JG Parr be appointed Liquidators and that DA Howell and MJA Jervis cease to be Liquidators of the Company.

Asset realisations

During the Liquidation, the following assets have been realised:

- Tax Losses:

Total realisations from the sale of tax losses to group companies amount to £535.9k. No further realisations are expected from the sale of tax losses.

- Claim against Lehman Brothers International (Europe) (in Administration) ("LBIE"):

On 31 January 2013, the Company entered into a claims determination deed with LBIE, whereby LBIE admitted the Company's claim for £18k. The Company subsequently accepted £16k in full and final settlement of its claim in LBIE's estate. Accordingly, no further realisations will be received in respect of this asset.

- Claim against Eldon Street Holdings Limited ("ESH"):

The Company's claim against ESH was admitted for dividend purposes at £204.7m. On 11 March 2015, ESH paid a third interim distribution of £14.2m, representing 6.94 pence in the £. Total distributions received from ESH to date amount to £51m, representing 24.92 pence in the £. Further distributions from ESH are anticipated in due course.

- Claim against Lehman Commercial Paper Inc. ("LCPI"):

Thayer's claim against LCPI has been admitted for dividend purposes at \$13.3k. During the period of this report, the Company received seventh and eighth distributions from LCPI of \$343 and \$330, respectively. Total distributions received from LCPI amount to \$5.6k, with further dividends expected on a six monthly basis.

- Claim against Mable Commercial Funding Limited ("Mable")

On 2 September 2015, Mable paid a fourth interim distribution of £755, representing 3 pence in the £ against the Company's admitted claim of £25.1k. Total distributions received from Mable to date amount to £6.8k. Further distributions are anticipated in due course.

1. Liquidators' progress report to members and creditors for the year ended 31 October 2015

Assets still to be realised

The Company's principle remaining assets are the future receivables due from its admitted claims against ESH, LCPI and Mable.

The Liquidators have engaged with Lehman Brothers Bankhaus London AG in respect of Thayer's unadmitted claim of €73,015 and are close to reaching an agreement in relation to this balance.

Receipts and payments account

An account of the Liquidators' receipts and payments detailing movements for the period from 1 November 2014 to 31 October 2015 is shown in Section 2 of this report.

Outcome for Creditors

The directors' Statement of Affairs estimated that unsecured creditor claims against the Company would total \$400,920,907. To date, claims with a total value of £392,117,245 have been admitted.

A third interim dividend of 2.4 pence in the £ was declared and paid on 15 April 2015 to the Company's unsecured non-preferential creditors. To date, £42.8m has been distributed to the Company's creditors, equating to 10.92 pence in the pound.

It is anticipated that further dividends will be paid to the Company's unsecured non-preferential creditors in early 2016.

There are no secured or preferential creditors.

Professional advisers

For ongoing matters, the Liquidators have retained the professional advisers that were engaged in the Administration as shown below:

Name of firm	Service provided	Reason selected	Basis of fees
Linklaters LLP	Legal advice	Specialist insolvency and industry knowledge	Time costs

The Liquidators' choice is based upon their perception of the advisers' experience and ability to perform this type of work, their knowledge of the complexity and nature of the assignment and the basis of the fee arrangement with them. The Liquidators continue to review the fees charged and remain satisfied that they are reasonable in the circumstances of this case.

Liquidators' remuneration

In accordance with resolutions passed in the Administration at the initial creditors' meeting held on 18 October 2010, the former Administrators' fees were fixed under Rule 2.106 IR86 by reference to time properly given by the Administrators' and their staff in attending to matters arising. In accordance with Rule 4.127 IR86, the remuneration basis agreed in the Administration has continued in the Liquidation.

In the period 1 November 2014 to 31 October 2015, the Liquidators have incurred time costs of £97,520. This represents 278.18 hours at an average hourly rate of £351. During the reporting period, remuneration of £96,523 plus VAT has been drawn in respect of time costs incurred from 1 October 2014 to 30 August 2015. Total remuneration drawn by the Liquidators to date is £265,889 plus VAT.

1. Liquidators' progress report to members and creditors for the year ended 31 October 2015

Liquidators' disbursements

Category 1 and Category 2 disbursements

The Liquidators have not incurred any category 1 or category 2 disbursements during the period from 1 November 2014 to 31 October 2015.

Statement of expenses

The following expenses have been incurred and paid during the period of the report:

	Incurred (£)	Drawn (£)
Employee costs*	-	141
Statutory advertising	77	77
	<u>77</u>	<u>218</u>

*Employee costs of £141 paid during the period relate to costs incurred in the previous period.

Additional information

If any creditor requires further explanations on any aspect of the Liquidators' progress report, then please telephone or write to Jennifer Hills who will be pleased to deal with such enquiries, however, any request for further information regarding the Liquidators' remuneration or disbursements should be made in writing, in accordance with Rule 4.49E.

In addition, should any creditor consider the Liquidators' remuneration and disbursements to be excessive or inappropriate, they have the right to challenge the amounts in accordance with Rule 4.131 IR86.

In accordance with the requirements of Statement of Insolvency Practice No.9 (payments to insolvency office holders and their associates), which was revised on 1 December 2015, an analysis of the Joint Liquidators' time costs for the period 1 November 2014 to 31 October 2015, including the cumulative total from the period of appointment, is provided at Section 3. Further information relating to time costs for the periods to 31 October 2014 is outlined in earlier reports.

Creditors' rights

A statement of creditors' rights in relation to the Liquidators' remuneration and expenses pursuant to IR86 is set out at Section 4 of this report.

1. Liquidators' progress report to members and creditors for the year ended 31 October 2015

Next report and enquiries

The Liquidators will circulate their next report approximately 12 months' time or at the end of the Liquidation, whichever is sooner. If any creditor has any queries in the meantime, please contact Jennifer Hills on +44 (0)20 7212 6092.



Signed.....

GE Bruce
Joint Liquidator

AV Lomas, GE Bruce and JG Parr were appointed as Joint Liquidators of Thayer Properties Limited to manage its affairs, business and property as agents without personal liability. AV Lomas, GE Bruce and JG Parr are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

The Joint Liquidators are bound by the Insolvency Code of Ethics which can be found at:
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.

The Joint Liquidators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the Liquidation.

2. Receipts and payments account

	As at 31 October 2015 GBP (£)	Movement in the period GBP (£)	As at 31 October 2014 GBP (£)	As at 31 October 2015 USD (\$)	Movement in the period USD (\$)	As at 31 October 2014 USD (\$)
Receipts						
Administration surplus	3,236,792	-	3,236,792	2,703	-	2,703
Dividends received:						
Eldon Steet Holdings Ltd	51,023,342	14,205,852	36,817,490	-	-	-
Lehman Brothers International (Europe)	16,182	-	16,182	-	-	-
Lehman Commercial Paper Inc	-	-	-	5,647	673	4,974
Mable Commercial Funding Ltd	6,823	755	6,068	-	-	-
Sale of tax losses	535,891	-	535,891	-	-	-
Interest received	70,387	41,663	28,724	-	-	-
Total Receipts	54,889,417	14,248,270	40,641,147	8,350	673	7,677
Payments						
Legal fees	18,766	-	18,766	-	-	-
Joint Administrators' remuneration (Note 1)	11,814	-	11,814	-	-	-
Joint Liquidators' remuneration (Note 1)	265,889	96,523	169,366	-	-	-
Employee costs	5,700	141	5,559	-	-	-
IT Costs	5,741	-	5,741	-	-	-
Statutory Advertising	303	77	226	-	-	-
Bank charges	-	-	-	70	70	-
Irrecoverable VAT (Note 2)	58,591	19,319	39,272	-	-	-
Total Payments	366,804	116,060	250,744	70	70	-
Intracompany Transfers						
Payment	-	-	-	(7,677)	-	(7,677)
Receipt	4,712	-	4,712	-	-	-
Total receipts less total payments	54,527,325	14,132,210	40,395,115	603	603	-
Distributions to unsecured creditors						
1st dividend, declared in March 2014	16,664,983	-	16,664,983	-	-	-
2nd dividend, declared in September 2014	16,743,406	-	16,743,406	-	-	-
3rd dividend, declared in April 2015	9,410,814	9,410,814	-	-	-	-
Total distributions	42,819,203	9,410,814	33,408,389	-	-	-
Net Position	11,708,122	4,721,396	6,986,726	603	603	-
Cash Balances						
Money markets	10,707,000	4,220,477	6,486,523	-	-	-
HSBC - current account (non-interest bearing)	1,001,122	500,919	500,203	603	603	-
Total Cash	11,708,122	4,721,396	6,986,726	603	603	-

Note:

1) Joint Administrators' remuneration of £11,814, incorrectly disclosed as Joint Liquidators' remuneration in the previous report, has been paid in the Liquidation. An adjustment has been made to the previous period accordingly.

2) Due to the nature of the Company's former business, it is not entitled to recover input VAT on its costs.

3. Information in support of the the Liquidators' time costs to 31 October 2015

Charging and disbursements policy

The time charged to the Liquidation is by reference to the time properly given by the Liquidators and their staff in attending to matters arising.

It is the Liquidators' policy to delegate tasks in the Liquidation to appropriate members of staff considering their level of experience and any requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or the Liquidators themselves.

Set out below are the relevant maximum charge-out rates per hour worked for the Liquidators' staff actually or likely to be involved on the assignments to 1 January 2015, to 30 June 2015 and from 1 July 2015. Time is charged by reference to actual work carried out. There has been no allocation of any general costs or overhead costs. Specialist departments within the Liquidators' firm such as Tax and VAT are also used where their expert advice is required and the figures below provide an indication of the maximum rate per hour.

Current charge out rates	Business Recovery Services		Specialist	
	Max £/hr		Max £/hr	
	From 1 Jan 2015	From 1 July 2015	From 1 Jan 2015	From 1 July 2015
Grade				
Partner	873	899	1,215	1,262
Director	765	788	1,076	1,108
Senior manager	512	527	905	932
Manager	431	444	660	680
Senior Associate	360	371	490	505
Associate/Support Staff	229	236	228	235

In common with many professional firms, the scale rates used by the Liquidators may increase to cover annual inflationary cost increases.

There is no statutory requirement for the Liquidators to seek approval to draw expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the Liquidators propose to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the Liquidators' own firm), they must be disclosed and be authorised by those responsible for approving their remuneration. Such expenses are known as "Category 2" disbursements and they must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

The Joint Liquidators' expenses policy allows for all properly incurred expenses to be recharged to the case. Category 2 disbursements are approved by the Creditors. There were no Category 2 disbursements during the period.

3. Information in support of the the Liquidators' time costs to 31 October 2015

Joint Liquidators' time costs for the period 1 November 2014 to 31 October 2015 (including cumulative total from the date of appointment):

Classification of work	Partner/Director		Senior Manager/Manager		Senior Associate		Associate/Support Staff		Total hours	
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)
Accounting and treasury	0.50	335	10.60	4,820	31.10	8,575	34.85	7,995	77.05	21,725
Strategy and planning	13.00	10,078	28.55	13,765	24.20	8,648	18.40	4,221	84.15	36,712
Statutory and compliance	1.80	1,259	12.00	5,366	19.65	6,825	46.99	10,773	80.44	24,223
Tax and VAT	4.50	4,601	4.45	2,452	20.75	6,099	2.80	539	32.50	13,691
LBIE recharges	0.24	165	0.93	291	1.55	418	1.32	295	4.04	1,169
Total for period	20.04	16,438	56.53	26,694	97.25	30,565	104.36	23,823	278.18	97,520
Average hourly rate for period		820		472		314		228		351
Cumulative total	42.66	33,242	156.08	72,885	349.18	108,412	274.48	61,223	822.40	275,762
Cumulative average hourly rate		779		467		310		223		335

Tax function costs

Certain group tax matters are managed through Lehman Brothers Limited (“LBL”) as Group Paying Agent. When recoveries of Corporation Tax paid pre-appointment are paid to relevant estates, the associated PwC costs incurred by the relevant estates are re-apportioned by reference to quantum of refunds to each estate. The final refund of pre-appointment Corporation Tax has now been received by LBL and redistributed to certain group companies, and the final re-apportionment of costs is now known. Thayer has benefited from tax refunds and therefore has contributed to the costs. Time costs attributable to Thayer in relation to tax function costs are £24,171 and are included in the cumulative total above. No cash movements are required as these have been deducted from tax recoveries previously received.

Classification of work	Partner/Director		Senior Manager/Manager		Senior Associate		Associate/Support Staff		Total hours	
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£
Tax function costs previously reported in Liquidation	-	-	-	-	-	-	-	-	-	-
Tax function costs apportioned to Thayer	9.23	8,240	20.69	8,619	29.13	7,024	1.74	288	60.79	24,171
Total tax function costs attributable	9.23	8,240	20.69	8,619	29.13	7,024	1.74	288	60.79	24,171

3. Information in support of the the Liquidators' time costs to 31 October 2015

Narrative of the Joint Liquidators' time costs for the period 1 November 2014 to 31 October 2015:

Accounting and treasury - £21,725

- Arranging receipts and payments of funds and coding of movements;
- Monitoring flow of funds into bank accounts;
- Dealing with compliance matters relating to funds;
- Dealing funds on the money market and inputting deals;
- Reconciling bank accounts for the purposes of statutory reporting; and
- Processing payment of third divided to unsecured non-preferential creditors.

Strategy and planning - £36,712

- Discussions regarding strategy for the Liquidation;
- Preparing for a third interim distribution to unsecured non-preferential creditors;
- Review of financial information including updating the Estimated Outcome Statement;
- Updating strategy documents; and
- Discussions with debtor regarding the Company's disputed claim.

Statutory and compliance – £24,223

- Preparing 3rd report on the progress of the Liquidation;
- Circulating progress report to creditors;
- Statutory filings at Companies House and Court;
- Preparing receipts and payments account;
- Preparing detailed remuneration summary;
- Preparation of six monthly internal case review for the Liquidators; and
- Managing the Thayer database and website.

Tax and VAT - £13,691

- Tax compliance;
- Meetings and discussions with the tax team;
- Review of tax provisions and strategy;
- Dealing with tax and VAT queries; and
- Preparation of VAT returns.

LBIE recharges - £1,169

- This is an apportionment of the costs incurred by Lehman Brothers International (Europe) associated with the administration companies.

4. Statement of creditors' rights

Rule 4.49E - Creditors' and members' request for further information

4.49E(1) If (a) within the period mentioned in paragraph (2) (i) a secured creditor, or (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors including the creditor in question), or (iii) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or (b) with the permission of the court upon an application made within the period mentioned in paragraph (2) (i) any unsecured creditor, or (ii) any member of the company in a members' voluntary winding up, makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4.49B(1)(e) or (f) (including by virtue of Rule 4.49C(5)) or in a draft report under Rule 4.49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter in a draft report under Rule 4.49D or a progress report required by Rule 4.108 which (in either case) was previously included in a progress report not required by Rule 4.108.

4.49E(2) The period referred to in paragraph (1)(a) and (b) is (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4.108, and (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case.

4.49E(3) The liquidator complies with this paragraph by either (a) providing all of the information asked for, or (b) so far as the liquidator considers that (i) the time or cost of preparation of the information would be excessive, or (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or (iii) the liquidator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information.

4.49E(4) Any creditor, and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of (a) the giving by the liquidator of reasons for not providing all of the information asked for, or (b) the expiry of the 14 days provided for in paragraph (1), and the court may make such order as it thinks just.

4.49E(5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4.131(1B) or 4.148C(2) by such further period as the court thinks just.

4.49E(6) This Rule does not apply where the liquidator is the official receiver.

Rule 4.131 - Creditors' claim that remuneration is or other expenses are excessive

4.131(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4).

4.131(1A) Application may be made on the grounds that (a) the remuneration charged by the liquidator, (b) the basis fixed for the liquidator's remuneration under Rule 4.127, or (c) expenses incurred by the liquidator, is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate.

4.131(1B) The application must, subject to any order of the court under Rule 4.49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4.108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4.49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

4.131(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application; but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party. If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly.

4.131(3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it.

4.131(4) If the court considers the application to be well-founded, it must make one or more of the following orders (a) an order reducing the amount of remuneration which the liquidator was entitled to charge; (b) an order fixing the basis of remuneration at a reduced rate or amount; (c) an order changing the basis of remuneration; (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation; (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify; and may make any other order that it thinks just; but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report.

4.131(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation.